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July 20, 2004

VIA ELECTRONIC FILING

Marlene H. Dortch, Secretary
Federal Communications Commission
The Portals
445 12th Street, S.W.
Washington, D.C. 20554

Re: Notice of *Ex Parte* Meeting in WC 04-36, RM-10865, CC Docket Nos. 99-200 and 96-98

Dear Ms. Dortch:

Pursuant to Section 1.1206 of the Federal Communications Commission's ("FCC") Rules, this letter serves to provide notice in the above-captioned proceedings of *ex parte* meetings with certain FCC staff. On July 19, 2004, the undersigned accompanied Mr. Craig Walker, CEO of DialPad Communications, Inc. ("DialPad"), to meet with the following people: Jessica Rosenworcel, Legal Advisor to Commissioner Copps, a summer intern associated with Commissioner Copps's office, Daniel Gonzalez, Senior Legal Advisor to Commissioner Martin, Scott Bergmann, Legal Advisor to Commissioner Adelstein, Matthew Brill, Legal Advisor to Commissioner Abernathy, Michelle Carey, Division Chief, Competition Policy Division/Wireless Competition Bureau and members of the Internet Policy Working Group, specifically, Margaret Dailey, Russell Hanser, Robert Tanner, Thomas Navin, and Julie Veach.

DialPad is a small company that provides an ***outbound only***, international long distance services utilizing a Voice over Internet Protocol ("VoIP") application provided over the "public" Internet. The majority of the Company's customers are located overseas. A very small portion of the Company's customers use the service to place long-distance, outbound-only calls in the United States.

DialPad emphasized that the FCC should find that VoIP services are subject to the FCC's exclusive jurisdiction as the Internet is an international network that knows no state boundaries. While DialPad maintains that VoIP services like those offered by the Company are jurisdictionally interstate and not subject to state common carrier regulation, such a finding would have *no* impact on general state consumer protection statutes and also provide important mechanisms for customers to resolve billing disputes. DialPad urged the FCC to rule

expeditiously on the jurisdictional issue in light of the numerous state commissions attempting to subject VoIP services to disparate regulatory regimes.

Further, DialPad emphasized that any regulation of VoIP services should be minimized, as VoIP services like DialPad's are primarily information services. In fact, the Company first offered service exclusively through a Java applet that users would access through the Company's website or download to their computer. As such, DialPad considers itself a software company that provides a subscription communication service.

VoIP services, like those offered by DialPad, are transmitted using Internet protocol packets that do not contain any geographical information. Unlike traditional wireline telephony services, the actual physical location of the DialPad customer is unknown. Further, DialPad's service is inherently portable. DialPad customers can either travel with specialized customer premises equipment and utilize it from any location where they have a broadband Internet connection, or simply access the service *via* a dial-up Internet connection.

Allowing state to exercise jurisdiction over DialPad's service would require the Company to simultaneously comply with multiple state regulations since its service is accessible anywhere in the United States. Further, the Company questions the utility of subjecting an *outbound only* Internet communications service to state jurisdiction particularly when domestic use of its service is *de minimis*. Complying with state regulation would most likely result in the Company moving its operations offshore.

The Company discussed law enforcement concerns relating to the Communications Assistance for Law Enforcement Act ("CALEA"). DialPad emphasized that it has complied with every subpoena received in a timely manner. The Company advocates that CALEA obligations apply to the underlying provider of communications facilities, since such a requirement would be the best means of ensuring that law enforcement has access to all the data that traverses networks, including peer-to-peer communications.

DialPad also addressed the California Public Utilities Commission's pending request to implement a specialized area code overlay. DialPad opposes the request because it would place VoIP providers at a significant competitive disadvantage if potential customers were required to change their telephone numbers in order to make use of a VoIP service. The Company also questioned the practicality of such a proposal since the manner in which an access line is utilized is not currently tracked by telecommunications providers.

Secretary Dortch
July 20, 2004
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Pursuant the Commission's Rules, this letter is being submitted electronically to the Secretary for filing in the above-referenced proceedings.

Sincerely,

/s/
Ronald W. Del Sesto, Jr.

Attorney for DialPad Communications, Inc.

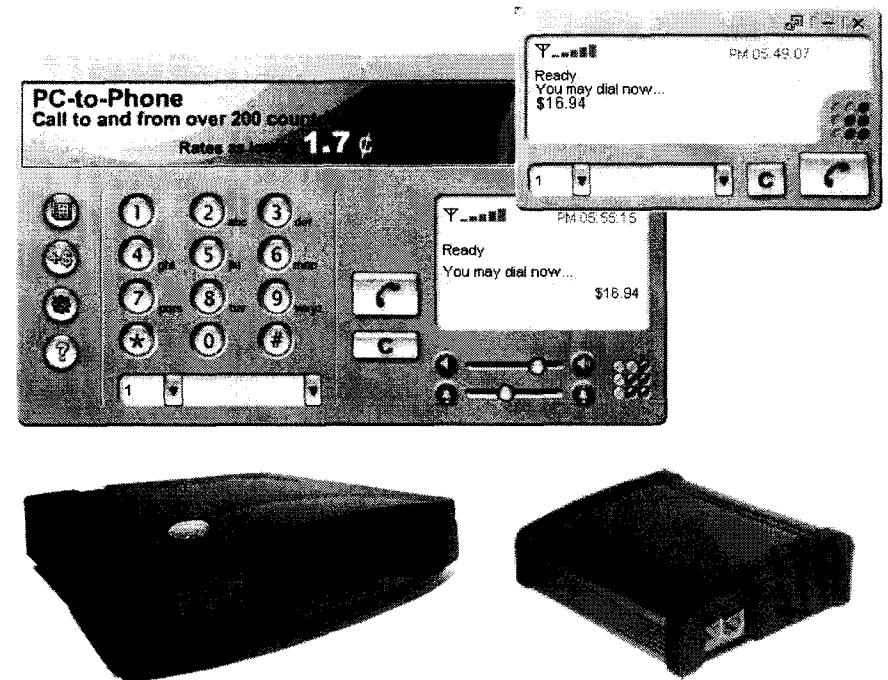
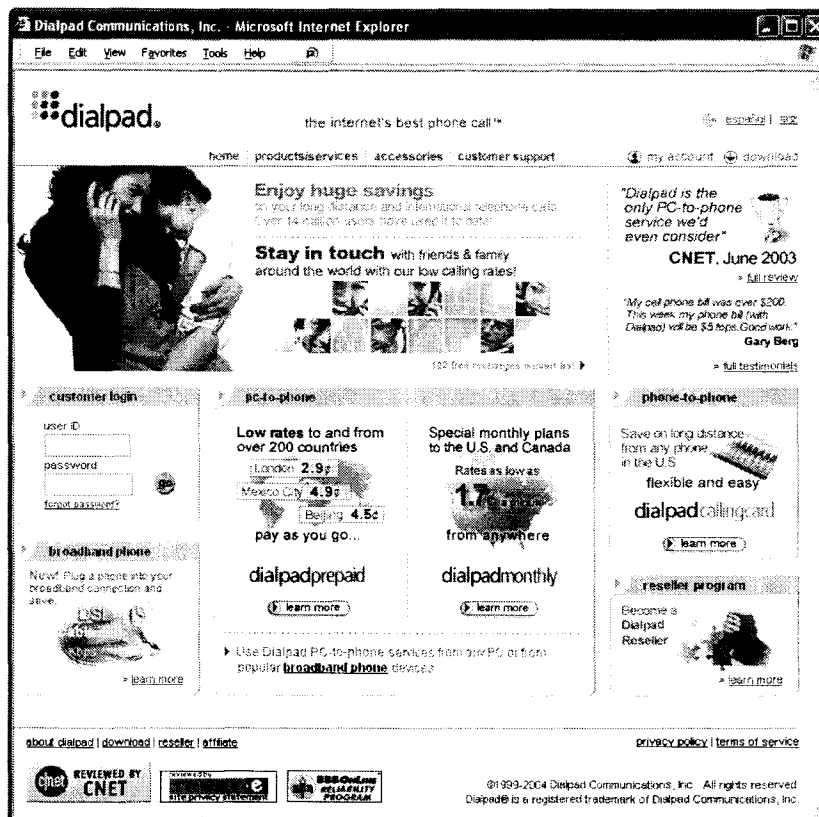
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Dialpad Mission

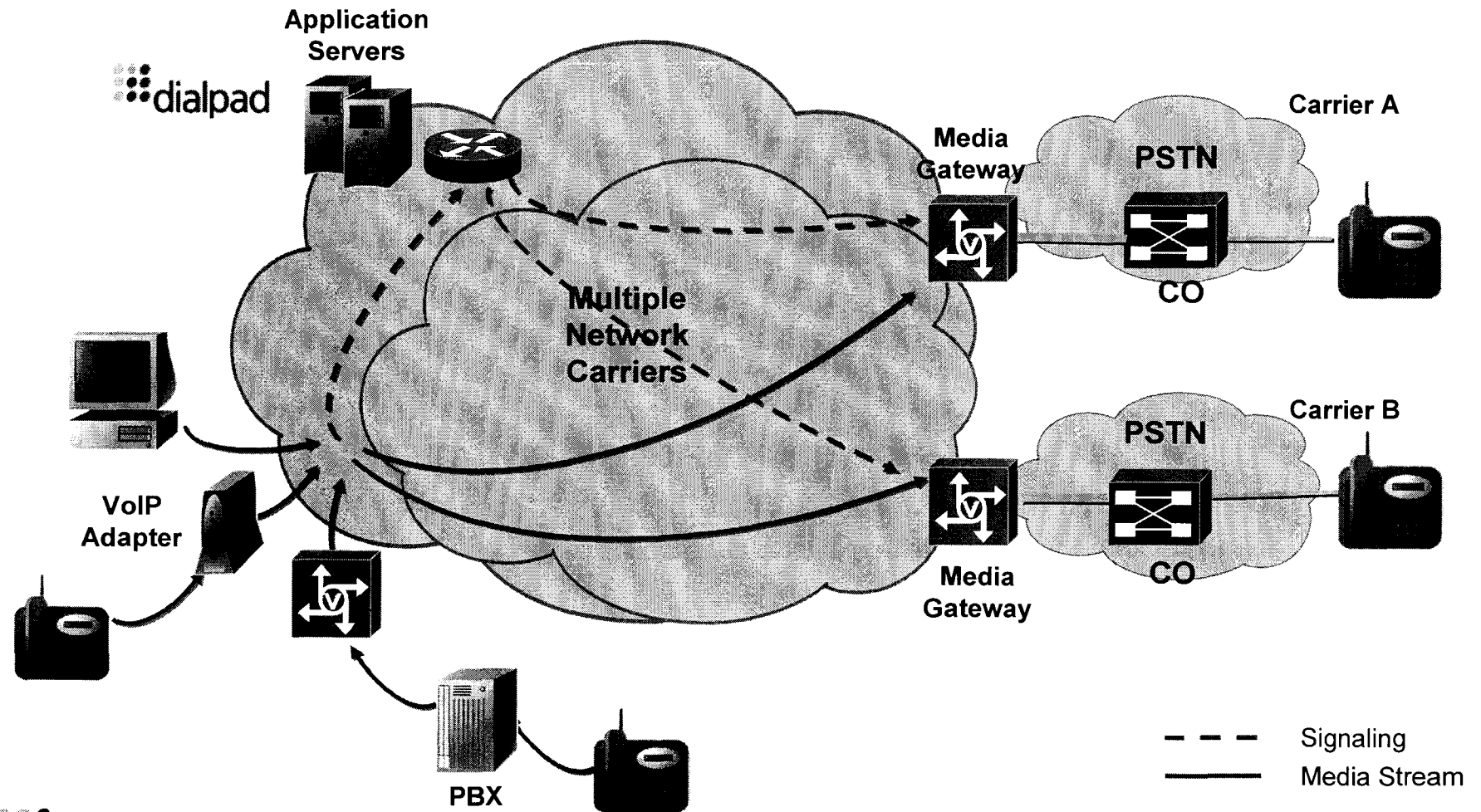
Using VoIP to bring high quality, affordable calls to Internet users worldwide



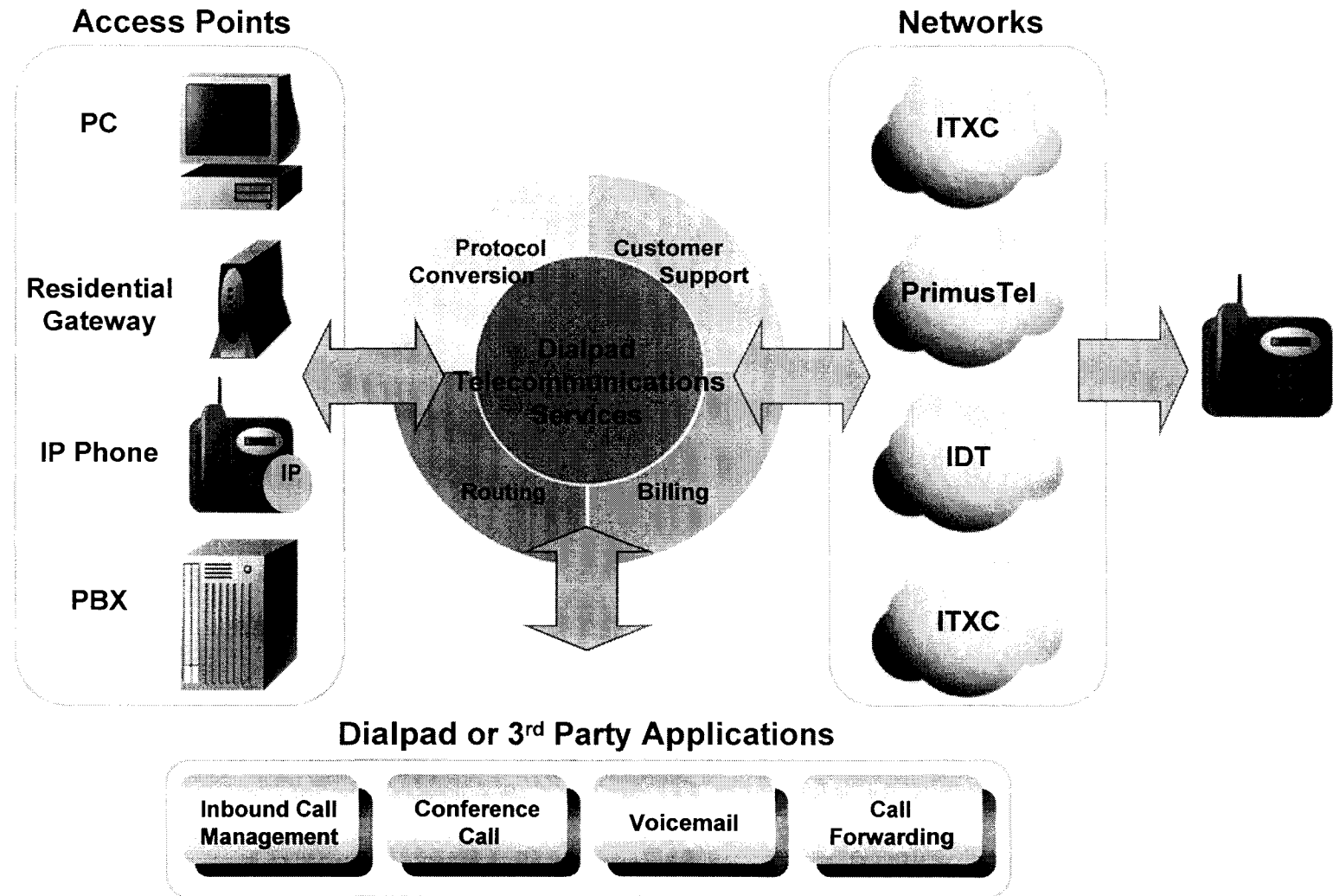
Dialpad History

- **Founded in October 1999 as Dialpad.com**
 - Spun out of Serome Technologies, Inc. (Korea)
- **Fastest Growing Communications Company in History**
 - Original Business Model based on free calling to the US
 - 12 million registered users in first year of service
 - 4.8 million minutes & 740,000 calls per day
 - Over 2 billion minutes served
- **Refocused Business Model: Fee-Based Service**
 - 2001 Change from Free to Fee Based Model
 - International Consumer Long Distance market focus
- **First Profitable VoIP Service Provider**
 - Cash Flow Positive for prior 12 month period

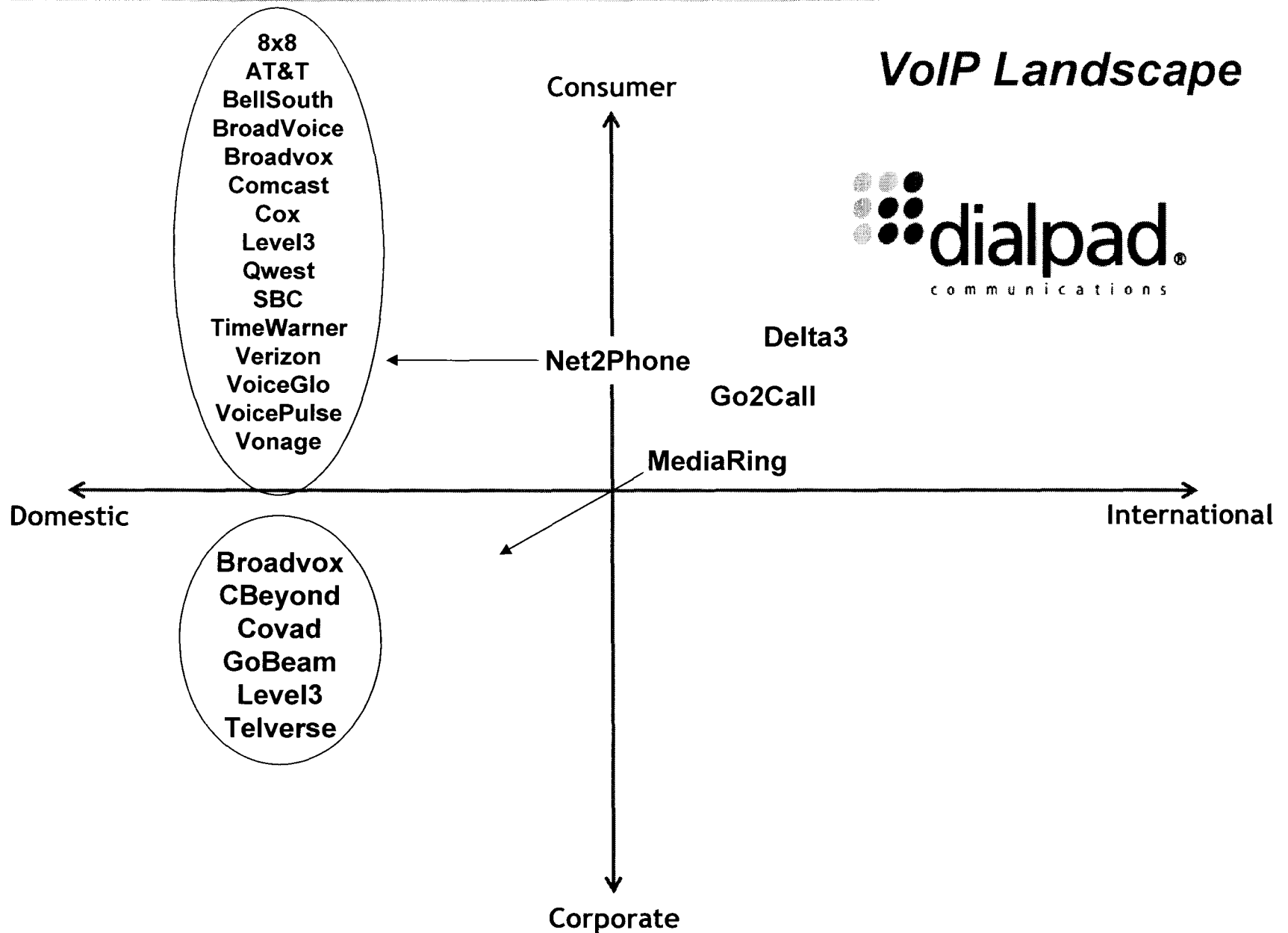
Network Architecture



Designed to Provide a Complete Communications Solution



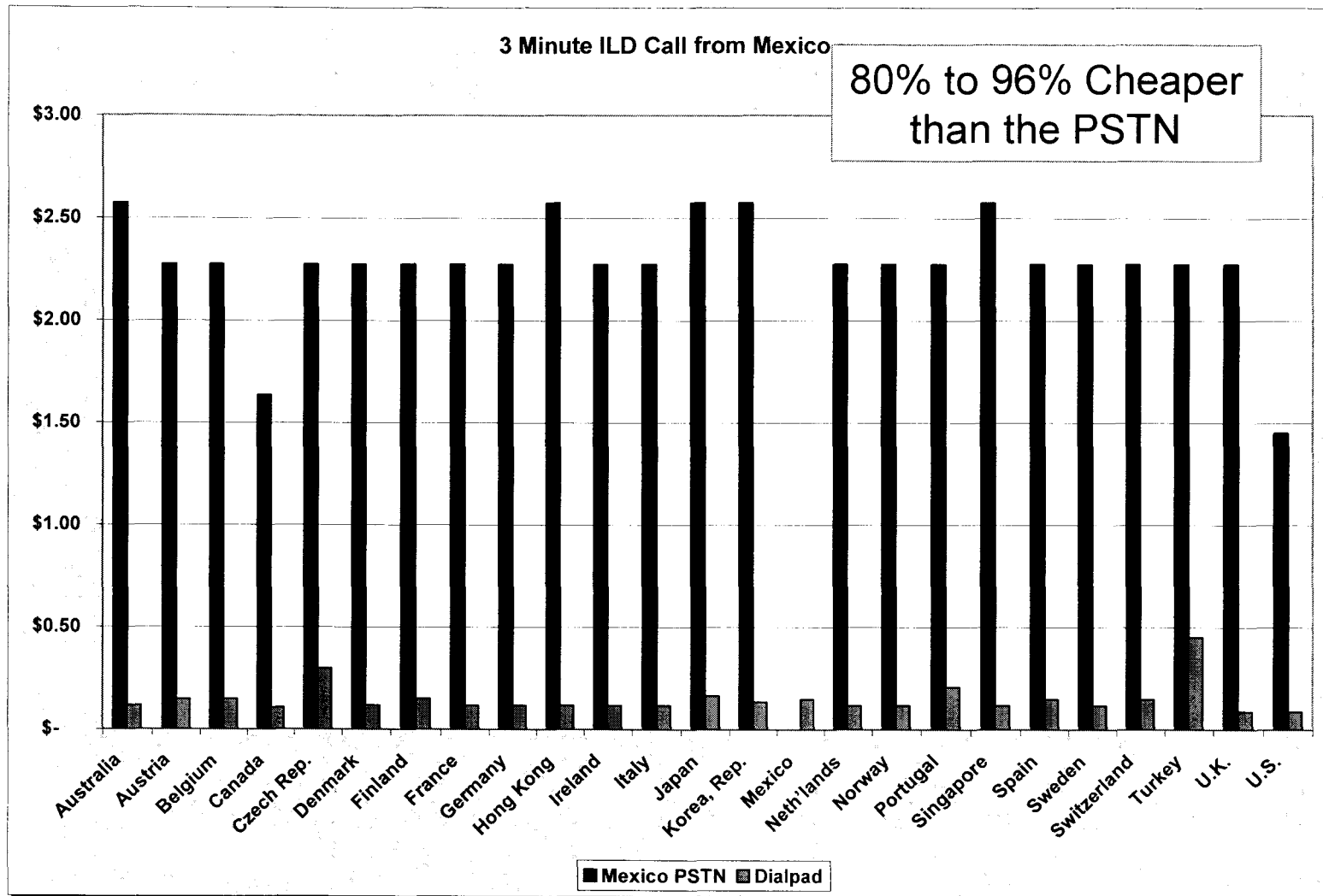
VoIP Landscape



The Dialpad Advantage

- **Brand Loyalty**
 - 2 billion minutes and 14 million users through Dialpad.com
 - Reseller Growth due to Brand and Quality
 - Highest Quality in Industry
- **Technology**
 - Proprietary Soft-Client
 - performs in all Firewall situations
 - Smallest in industry
 - Proprietary Least Cost Routing Engine
 - Proprietary Multi-Protocol Gateway
 - Proprietary Billing Engine
- **Experience/Expertise**
 - Terminated 2 billion minutes with less than 30 employees
 - Increased average call time to 6.5 min. vs. 4.5 min. PSTN
 - Only Profitable VoIP service provider

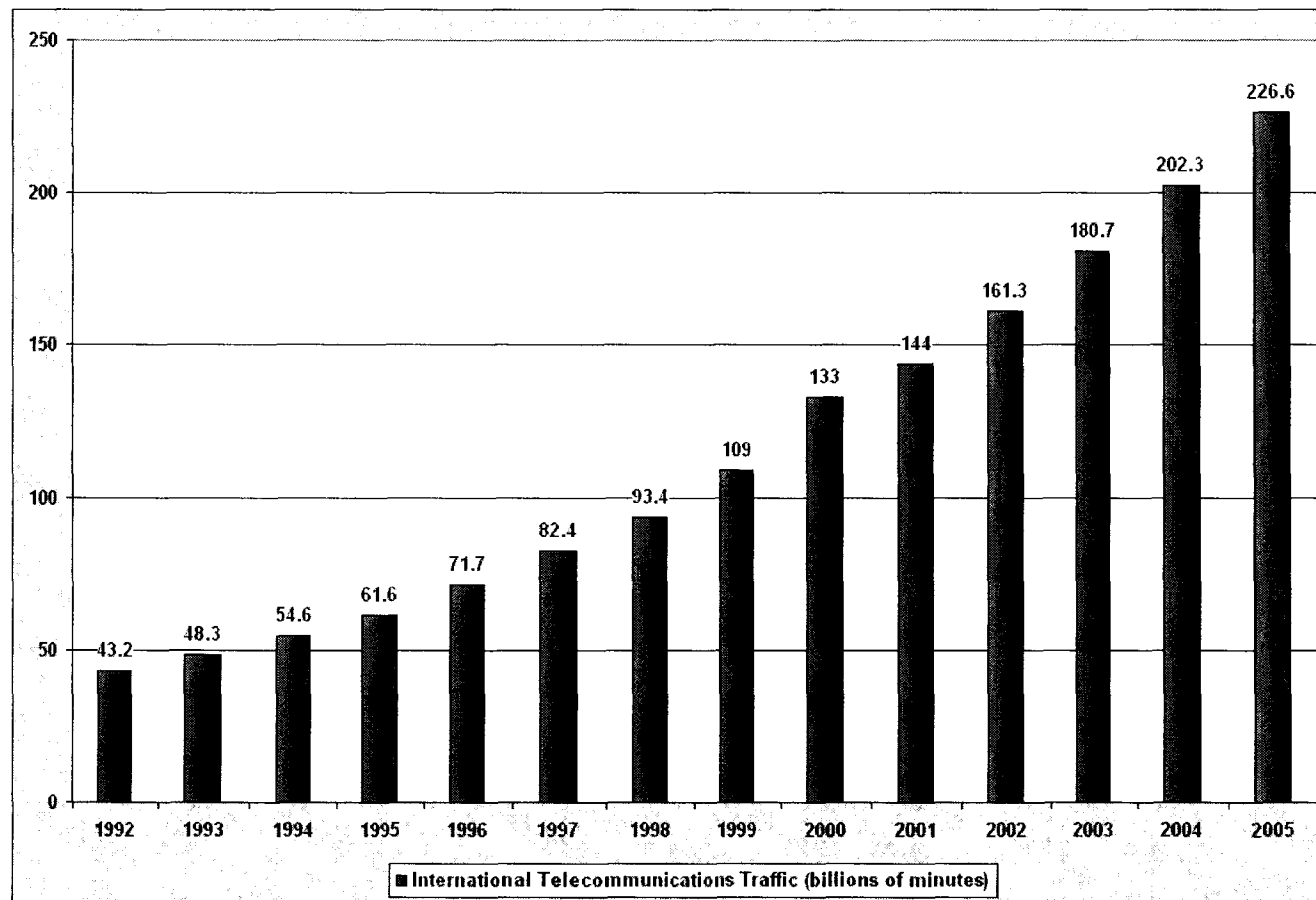
Dialpad Pricing Advantage: Mexico



Source: TeleGeography 2003

International Long Distance Opportunity

- **Large Market in International Long Distance**
 - \$68 billion market in 2003 (ITU)
 - 10%+ Annual Usage Growth



Worldwide Growth Opportunities

- **Potential User = Online Population**

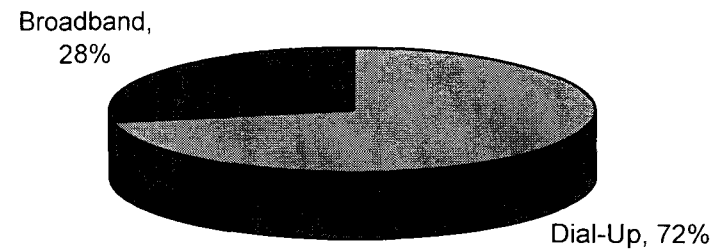
- 12% growth in Developed Countries
- 40% growth in Developing Countries

(2002 Growth Rates: U.N. Conf. on Trade and Development)

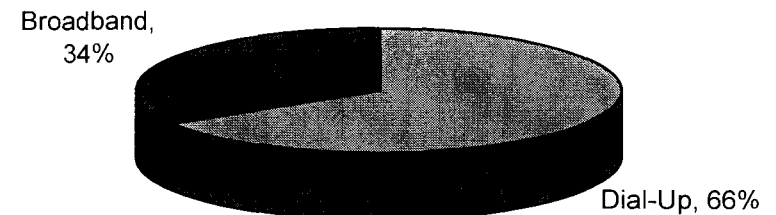
- **Dial-Up to Broadband**

- From 20Kbps to Broadband
- Dial-up still dominant
- Lifecycle Solutions

2003 Access Method



2007 Access Method



Source: Gartner

ISP Co-Branded Services

- **Co-Branded Solution**
 - Turnkey Operation
- **Benefits to ISP**
 - Increased usage
 - Additional revenue stream
 - Dialpad brand
 - Speed to market
- **9 Current Partners**
 - NEC/Biglobe (Japan)
- **Switching Costs to ISPs**
 - Disruptive to Users
 - Uninstall & Reinstall
 - Change Look, Feel, Settings
 - Loss of Prior Promotion

TeleVoIP as powered by **dialpad.**

TELEVOIP DIALPAD powered by **PC talk DATA ACCESS**

dialpadworld

Join over 14 million users who have made PC-to-Phone calls with Dialpad. Now in India, on Data Access Global Carrier Network.

Very Low Rates To over 200 countries

- ✓ Superior sound quality
- ✓ Easy to call
- ✓ Easy to manage
- ✓ Convenient purchasing

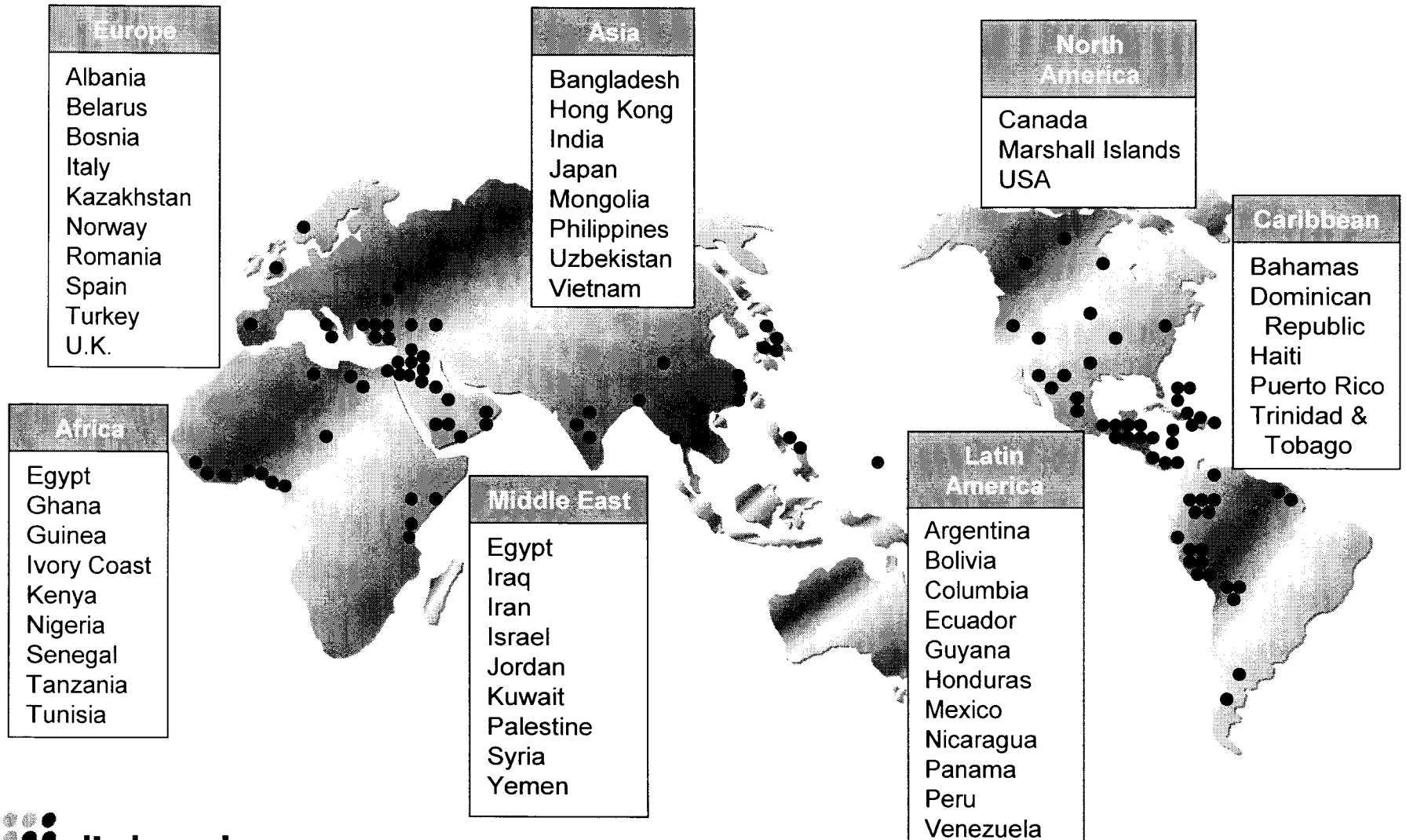
More detail / See more rates

Sample rates (Rp/secs)			
USA	3.0	United Kingdom	3.0
Germany	3.5	France	3.5
Italy	3.5	Australia	3.5
China	5.0	Singapore	3.0
Hong Kong	3.5	Malaysia	6.0

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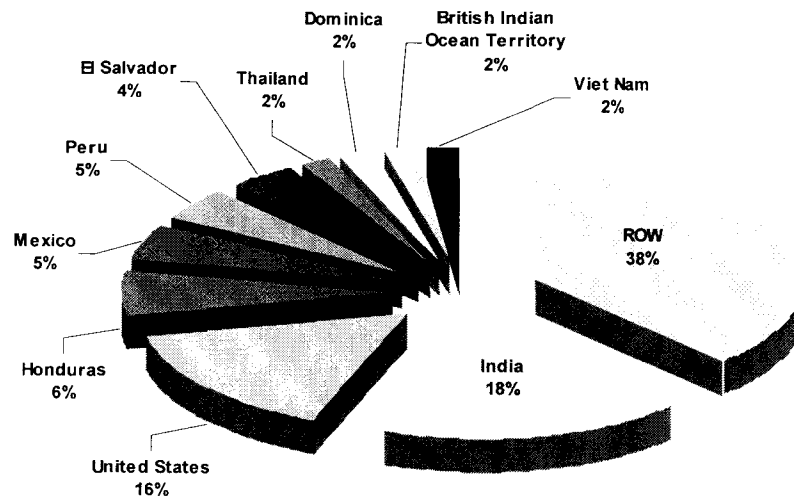
Growing Reseller Network

135 Resellers in 64 Markets

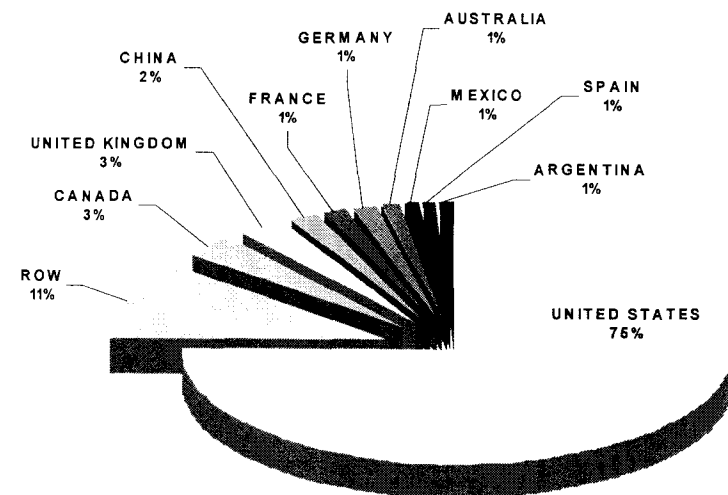


Calling Patterns of Users

FEBRUARY 2004 ROUTES (ORIGINATION)



FEBRUARY 2004 ROUTES (DESTINATION)



Summary

- **Focus on International Long Distance**
- **82% of Traffic Originating outside of USA**
- **Dial-Up and Broadband Solutions**
- **Bringing Efficiencies of Competitive Markets to R.O.W.**
- **Team**
 - Small (30 Employees)
 - Skilled (VoIP Pioneers since mid-1990's)
- **Profitable**
 - Only VoIP service provider to be Net Income Positive
 - Cash Flow positive for prior 12 months

Regulatory Issues

- **Universal Service Funding**
- **Access Charges**
- **911**
- **CALEA**
- **Disabilities**
- **VoIP Overlay Numbering**
- **State Regulation**